

FINAL BILL REPORT

SB 5119

C 314 L 17
Synopsis as Enacted

Brief Description: Concerning water-sewer districts.

Sponsors: Senators Takko, Dandel, Sheldon, Angel, Chase, Palumbo and Wellman.

Senate Committee on Local Government
House Committee on Local Government

Background: Water-sewer districts (districts) provide water and sewer services to incorporated and unincorporated areas. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate systems of sewers and drainage. Districts may also fix rates and charges for services, enter into contracts, levy taxes, and issue bonds.

District Treasurer. Generally, the county treasurer acts as the treasurer of a district located within the county. Based on information submitted by the district, the county auditor issues warrants and sends them to the county treasurer for payment. Districts with 2500 or more customers may appoint their own treasurer, if authorized by the county treasurer. An appointed treasurer possesses the powers of the county treasurer and county auditor for the district concerning the creation of funds, issuing warrants, and investing district monies.

Water Storage Asset Management. Municipalities may elect to contract for management services of water storage assets such as water tanks, towers, and wells. If a municipality chooses to do so, it must publish a notice of its contract procurement requirements and the scope and nature of the service being contracted for. The municipality is authorized to negotiate a fair and reasonable service or, if no satisfactory management service is found, to terminate the selection process.

Any district work that exceeds \$50,000 must be contracted for through competitive bidding, unless waived by the district's board under limited circumstances.

Pollution Control Facilities. Pollution control facilities are used by municipalities for the purpose of abating, controlling, and preventing varying types of environmental pollution. Municipalities may buy, sell, and lease these pollution control facilities as well issue revenue bonds to defray the costs of acquiring these facilities. Bonds issued for this purpose must be secured solely by the revenues derived from the lease or sale of the facilities themselves.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary: District Treasurer. Districts that have maintained a revenue of over \$5 million for each of the last three years may adopt a policy by resolution to issue their own warrants for payments of claims or other obligations of the district. Districts that have maintained a revenue between \$250,000 and \$5 million for each of the last three years are authorized, upon agreement with the county treasurer, to adopt a policy to issue their own warrants for payments of claims or other obligations of the district. The board, after auditing all payrolls and bills, issues one general certificate to the county treasurer, authorizing the county treasurer to pay all the warrants specified and the fund from which payment will be made. The district may then issue warrants specified in the general certificate.

Water Storage Asset Management. Districts are expressly authorized to contract for asset management service of their water storage assets. If a district chooses to contract for asset management services, the district must publish advance notice of its requirements to procure such services. The district may then negotiate a fair and reasonable contract with the firm that submits the best proposal based on the established criteria. The district may terminate negotiations if a satisfactory contract cannot be reached, and may either select another firm to continue negotiations or terminate the selection process. If the district chooses to negotiate a contract under these procurement procedures, no other statutory procurement requirements apply.

Pollution Control Facilities. A district may acquire, lease, and sell pollution control facilities and issue revenue bonds to defray the costs.

Votes on Final Passage:

Senate	49	0	
House	98	0	(House amended)
Senate	47	2	(Senate concurred)

Effective: July 23, 2017